

## Goal: ECONOMIC VITALITY

### Desired Community Condition(s)

The economy is diverse and broad-based.

### Program Strategy: TOURISM

25590

Promote Tourism

Department: **FINANCE AND ADMINISTRATIVE SERVICES**

#### Service Activities

Albuquerque Convention and Visitor's Bureau

Hispano Chamber of Commerce

All Indian Pueblo Cultural Center

Convention Center Operating Contribution

Convention Center Operating

Convention Center Lodgers Tax Reimbursed

#### Strategy Purpose and Description

Maximize the value of tourism to the local economy within the greater Albuquerque area through the use of public/private partnerships.

This presentation incorporates 2 program strategies that combines general fund and Lodgers Tax resources.

This presentation covers destination marketing through contracts with ACVB, the Hispano Chamber, and the Indian Pueblo Cultural Center, as well as the operations and local marketing of the Albuquerque Convention Center. The later is now done under contract with SMG.

#### Changes and Key Initiatives

Continue to reduce subsidy for operating the Albuquerque Convention Center by supporting SMG efforts to increase facility utilization with marketing to local groups. Support ACVB's and Hispano's efforts to bring in City wide Conventions for utilization of center.

#### Input Measure (\$000's)

2005	110	110 GENERAL FUND	2,157
2005	220	220 LODGER'S TAX FUND	4,130
2005	221	221 HOSPITALITY TAX FUND	786
2006	110	110 GENERAL FUND	1,778
2006	220	220 LODGER'S TAX FUND	4,178
2006	221	221 HOSPITALITY TAX FUND	856

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Promote Tourism	Lodger's Tax Revenue	2005	8,826,000.0	4,490,977.5		2001-8,488,118, 2002-8,319,031, 2003-8,326,069
		2006	8,611,000			

<i>Strategy Outcome</i>	<i>Measure</i>	<i>Year</i>	<i>Project</i>	<i>Mid Year</i>	<i>Actual</i>	<i>Notes</i>
Maximize use of the Convention Center for conventions and community use	<i>Facility utilization</i>	2005	20%	12%	16%	2001-26%
		2006	24%			

<i>Strategy Outcome</i>	<i>Measure</i>	<i>Year</i>	<i>Project</i>	<i>Mid Year</i>	<i>Actual</i>	<i>Notes</i>
Maximize use of the Convention Center for conventions and community use	<i># of events</i>	2005	600	176		2001-775
		2006	600			

**Goal:** **ECONOMIC VITALITY**

**Parent Program Strategy:** TOURISM

**Department:** **FINANCE AND ADMINISTRATIVE SERVICES**

**Service Activity:** Albuquerque Convention and Visitor's Bureau

**1351000**

***Service Activity Purpose and Description***

ACVB receives approximately \$4.0 million dollars annually to market Albuquerque as a destination for tourists and convention business. Contract with ACVB is a two year contract with option for one additional two year term. Contract has quarterly sales performance reporting and annual ROI performance measurement reporting. Effective FY05 a Hospitality Fee was legislated to provide ACVB with more advertising dollars. The 1% fee is to be used to purchase advertising. FY06 Hospitality Fee appropriation for ACVB is 753,000

***Changes and Key Initiatives***

The new contract requires a project management approach to scope of services and sales reporting. FY06 sales reporting measurements were mutually developed by ACVB, the City and Zeitgeist Consulting (third party). ROI formulas for the annual ROI performance measurement reporting were mutually agreed upon by all parties.

***Input Measure (\$000's)***

2005	220	220 LODGER'S TAX FUND	3,622
2005	221	221 HOSPITALITY TAX FUND	692
2006	220	220 LODGER'S TAX FUND	3,668
2006	221	221 HOSPITALITY TAX FUND	753

***Strategic Accomplishments***

The contract for Marketing the City of Albuquerque and Booking Conventions went through the RFP process in FY05. The contract for FY06 includes sales performance measures to enhance and diversify Albuquerque's economy by increased numbers of conventions and sports events and increased numbers of business and leisure travelers.

<b><i>Output Measures</i></b>	<b><i>Year</i></b>	<b><i>Projected</i></b>	<b><i>Mid-Year</i></b>	<b><i>Actual</i></b>	<b><i>Notes</i></b>
Return On Investment	2005	15:1			
	2006	15:1			
<b><i>Output Measures</i></b>	<b><i>Year</i></b>	<b><i>Projected</i></b>	<b><i>Mid-Year</i></b>	<b><i>Actual</i></b>	<b><i>Notes</i></b>
Room Nights attributed to ACVB	2005	90,000	24,411	46,420	
<b><i>Quality Measures</i></b>	<b><i>Year</i></b>	<b><i>Projected</i></b>	<b><i>Mid-Year</i></b>	<b><i>Actual</i></b>	<b><i>Notes</i></b>
Lodgers Tax and number of conventions at convention center increase by 5%.	2006	5%			

**Goal:** ECONOMIC VITALITY  
**Parent Program Strategy:** TOURISM  
**Department:** FINANCE AND ADMINISTRATIVE SERVICES

**Service Activity:** Hispano Chamber of Commerce

1352000

***Service Activity Purpose and Description***

Hispano receives approximately \$500,000 annually to market Albuquerque as a destination for convention business for the Hispanic and Native American markets. Contract with Hispano runs on a three-year basis, with annual work plan and performance reviews. Actual amounts received vary depending on tax income generated.

***Changes and Key Initiatives***

The new contract requires a project management approach to scope of services and sales reporting. FY06 sales reporting measurements were mutually developed by Hispano, the City and Zeitgeist Consulting (third party). ROI formulas for the annual ROI performance measurement reporting were mutually agreed upon by all parties.

***Input Measure (\$000's)***

2005	220	220 LODGER'S TAX FUND	478
2005	221	221 HOSPITALITY TAX FUND	94
2006	220	220 LODGER'S TAX FUND	480
2006	221	221 HOSPITALITY TAX FUND	103

***Strategic Accomplishments***

Scope of services and focus has been narrowed in contract to booking Hispanic and Native American groups and travelers.

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Return on Investment	2005	15:1	9:1		
	2006	15:1			

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Room Nights attributed to Hispano	2005	7920	6981	12,733	

<i>Quality Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Number of Hispano and Native American Groups booking events in Albuquerque increases by 5%	2006	5%			

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**Department:** FINANCE AND ADMINISTRATIVE SERVICES

**Service Activity:** All Indian Pueblo Cultural Center

1353000

***Service Activity Purpose and Description***

IPCC is agreeable to create and implement a plan for advertising, publicizing and promoting the activities at its Center, which will bring in visitors from out of region and out of state. The Center is the only Native American center of its kind in any major US city .

***Changes and Key Initiatives***

IPCC has submitted an initial advertising/marketing plan. IPCC will provide monthly reports detailing advertising, publicizing and promotional activities. New Contract is effective July 1, 2005 through June 30, 2006.

***Input Measure (\$000's)***

2005	220	220 LODGER'S TAX FUND	30
2006	220	220 LODGER'S TAX FUND	30

***Strategic Accomplishments***

<b><i>Output Measures</i></b>	<b><i>Year</i></b>	<b><i>Projected</i></b>	<b><i>Mid-Year</i></b>	<b><i>Actual</i></b>	<b><i>Notes</i></b>
IPPC will track out of region visitors and report to the City.	2006	40% out of region visitor			

<b><i>Quality Measures</i></b>	<b><i>Year</i></b>	<b><i>Projected</i></b>	<b><i>Mid-Year</i></b>	<b><i>Actual</i></b>	<b><i>Notes</i></b>
IPCC will report website activity, advertising and media placements to the city.	2006	monthly advertising			

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**Parent Program Strategy:** TOURISM  
**Department:** FINANCE AND ADMINISTRATIVE SERVICES

**Service Activity:** Convention Center Operating Contribution

2593000

***Service Activity Purpose and Description***

This service activity funds the negotiated subsidy for SMG that represents the difference between anticipated revenues and projected operating expenses, determined pursuant to the contract between the City and SMG. This contract is performance based. If results exceed the negotiated operating contribution, there are provisions for sharing the improvement (75% to City, 25% to contractor, not to exceed a preset limit). The operating subsidy can be increased only under extraordinary circumstances, defined in the contract and requires Mayor and City Council approval.

It should be noted that "Citywide" conventions are the revenue driver for the Convention Center. These large conventions are most often booked years in advance. Additional revenue is developed by renting the facility for local uses and by the use of concession services (food and beverage, AV, electrical, telecommunications services, etc.) by the renters.

SMG reports monthly to the city on utilization, customer satisfaction, new bookings, collaboration with the marketing partners, facility maintenance, capital repair needs, etc.

***Changes and Key Initiatives***

FY2005 subsidy was \$986,963 FY 06 has been reduced to \$544,238 (-\$442,725). SMG reduced operating costs and increased utilization of center.

***Input Measure (\$000's)***

2005	110	110 GENERAL FUND	987
2006	110	110 GENERAL FUND	544

***Strategic Accomplishments***

FY05 projected net income loss was \$1,649,278.00 actual was \$1,333,949.00. \$315,329 savings

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**Department:** FINANCE AND ADMINISTRATIVE SERVICES

**Service Activity:** Convention Center Operating 2594000

**Service Activity Purpose and Description**

This service activity covers costs to the City attributable to the Convention Center, which are considered unavoidable. This includes certain risk management costs and facility capital costs. These costs were identified in the RFP process and factored into the recommendation of contract award during the RFP process.

**Changes and Key Initiatives**

Two hundred thousand for pass through Aramark liquor commission added to FY06 budget. Workers com insurance reduced by \$37,502. Tort and other insurance increased by \$18,070

**Input Measure (\$000's)**

2005	110	110 GENERAL FUND	1,074
2006	110	110 GENERAL FUND	1,102

**Strategic Accomplishments**

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
number of capital projects over \$5,000.	2005	TBD	0		City is responsible for capital improvements and renovations pursuant to management contract.
	2006	TBD			

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
number of tort claims involving ACC and the City.	2005	TBD			
	2006	TBD			

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**Department:** FINANCE AND ADMINISTRATIVE SERVICES

**Service Activity:** Convention Center Lodgers Tax Reimbursed

2595000

***Service Activity Purpose and Description***

This service activity provides oversight of Lodgers Tax contracts as well as the convention center management contract. These contracts are performance based and involve tracking overall results.

***Changes and Key Initiatives***

New contracts for ACVB, Hispano and IPCC effective July 1, 2006. ACVB and Hispano two-year contracts with option to renew for one additional two year term. IPCC contract one year.

***Input Measure (\$000's)***

2005	110	110 GENERAL FUND	96
2006	110	110 GENERAL FUND	132

***Strategic Accomplishments***